

STATE OF WASHINGTON



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OFFICE OF
INSURANCE COMMISSIONER

Technical Advisory - Technical Assistance Advisory T 2000-03

May 8, 2000

Attn: All Health Carriers

Subject: New Filing Requirements Resulting from
Chapter 79, Laws of 2000 (E2SSB 6067)

The Office of the Insurance Commissioner is issuing this Technical Assistance Advisory to assist carriers in complying with recent legislative changes that will require prompt action by each health carrier with respect to the filing of specific loss ratio and rate information with this office.

Your attention is directed to section 3(5), section 29(5) and section 32(5) of Chapter 79, Laws of 2000. By no later May 31, 2000, we will require each carrier to file with our office the "supporting documentation of its actual loss ratio for its individual health benefit plans offered in the state in aggregate for the preceding calendar year."

This requirement is applicable not only to health benefit plans that are being actively marketed but also to those closed blocks of business that carriers are administering.

Please note the refund requirements of section 3(6), 29(6) and 32(6). Refunds are required if the actual preceding calendar year loss ratio is less than 72%.

We ask that the supporting documentation be filed with this office separately from any other rate filing submission. Please include the proper filing transmittal form with the submission and clearly identify the filing as "Annual Loss Ratio" on the filing transmittal form.

Note that separate filings for rate changes must be made with the commissioner for informational purposes **prior** to use. See sections 3(2) and (3), 29(2) and (3) and 32(2) and (3). Such filings should also be submitted to this office with the proper filing transmittal form.

If you have any questions about the filing of supporting loss ratio documentation or rate information directed by this legislation, please contact Lichiou Lee, ASA, MAAA, Associate Actuary, at 360-586-5313 or LichiouL@OIC.WA.GOV.

Copies of the law are available at the Commissioner's website. The link is: http://www.insurance.wa.gov/industry/rules_laws/new/6067.htm